



Health Services
LOS ANGELES COUNTY

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313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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December 19, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT NO. 11 TO AGREEMENT NO. 70282
WITH MEDQUIST TRANSCRIPTIONS, LTD., FOR MEDICAL
TRANSCRIPTION SERVICES AT OLIVE VIEW-UCLA
MEDICAL CENTER AND HIGH DESERT HEALTH SYSTEM
(5th District) (3 Votes)**

IT IS RECOMMENDED THAT YOUR BOARD:

Approve and instruct the Chairman to sign Amendment No. 11 to Proposition A Medical Transcription Services Agreement No. 70282, Exhibit I, with MedQuist Transcriptions, Ltd. (MedQuist), for services provided at Olive View-UCLA Medical Center (OVMC) and High Desert Health System (HDHS) to: 1) extend the Agreement term for an additional six months, effective January 1, 2007 through June 30, 2007, in the amount of \$390,000; and 2) delegate authority to the Director of the Department of Health Services, or his designee, to extend the agreement on a month-to-month basis through September 30, 2007, under the same rates and terms, for an additional \$195,000, for a total cost of \$585,000.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS:

The Department of Health Services (DHS or Department) is currently developing a resolicitation for the services provided under the recommended Amendment. The resolicitation will include medical transcription services for all medical facilities.

In the meantime, while the solicitation is being finalized, the current Medical Transcription Services Agreement No. 70282 for services provided at OVMC and HDHS will expire on December 31, 2006. Board approval of the recommended Amendment will: 1) ensure that delivery of vital medical transcription services continue uninterrupted at OVMC and HDHS; and 2) align the term with the other Medical Transcription Services Agreements at the other medical facilities, all of which are included in the solicitation process.

FISCAL IMPACT/FINANCING:

The total estimated expenditure for Amendment No. 11 to Agreement No. 70282 for medical transcription services provided at OVMC and HDHS for the period of

January 1, 2007 through September 30, 2007 is \$585,000 (consisting of \$540,000 for OVMC and \$45,000 for HDHS).

Funding is included in OVMC's and HDHS' Fiscal Year (FY) 2006-07 Final Budgets and will be requested in FY 2007-08.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS:

On August 20, 1996, the Board approved an Agreement with MedQuist for the provision of medical transcription services for OVMC and HDHS, effective September 1, 1996 through August 31, 2000. Under delegated authority, the term was extended for an additional six months through February 28, 2001. Subsequently, the Board approved Amendment Nos. 1 through 10, that increased the allocation, updated contract language, added Health Insurance Portability and Accountability Act language, and extended the term through December 31, 2006.

On December 14, 2005, under Amendment No. 8, the Board approved a temporary change in the billing and payment structure from a transcribed line rate to a report rate, which remained effective until a conversion date to MedQuist's new billing platform, DocQment Enterprise Platform™ (DEP), was established. On February 16, 2006, the conversion at OVMC took place and the billing and payment methodology reverted back to the rate per transcribed line. HDHS is now ready to convert to MedQuist's DEP billing platform and the billing and payment methodology will revert back to the rate per transcribed line. A delay in this transition occurred because of ongoing negotiations for an agreeable rate per transcribed line. Although HDHS is now able to convert back to the rate per transcribed line, the report rate for services at HDHS is more cost effective, as the line rate proposed by MedQuist would exceed the per report cost.

The Department is currently working on a Request For Proposals (RFP) for Medical Transcription Services for seven County medical facilities. Progress on the RFP has been delayed because of the need to upgrade service levels to coincide with the current technology and standardize the performance specifications for medical and radiology reports transcription services. The Department anticipates that the RFP will be completed and a new contract(s) in place before September 2007.

The Agreement may be terminated by the County with 30 day advance written notice to Contractor.

County Counsel has approved Amendment No. 11 (Exhibit I) as to form.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise Amendment actions on the Los Angeles County Online Website.

An RFP for medical and radiology reports transcription services for the medical facilities was near completion using the current description of services. The RFP was not completed sooner due to other critical priorities and staff shortage. The Health Information Management Directors and other medical staff strongly recommended that the Department obtain transcription services that include voice

The Honorable Board of Supervisors
December 19, 2005
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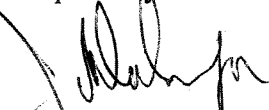
recognition, but after gathering further background information, it was determined that this option was not feasible at this time.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Board approval of the recommended action will ensure that vital transcription services remain in place and continue uninterrupted at OVMC and HDHS.

When approved, this Department requires three signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Acting Director of Health Services

BAC:lvb
Medical Transcription Svcs.lvb.wpd

Attachments (2)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors

SUMMARY OF AMENDMENT

1. **TYPE OF SERVICE:**

Medical transcription services at Olive View/UCLA Medical Center (OVMC) and High Desert Health Services (HDHS).

2. **AGENCY ADDRESS AND CONTACT PERSON:**

MedQuist Transcriptions, Ltd. (MedQuist)
1000 Bishop's Gate Blvd., Ste. 300
Mount Laurel, NJ 08054-4632
Attn: Frank Lavelle, President
Telephone: (800) 233-3030
Email: FLavelle@medquist.com

3. **TERM:**

January 1, 2007 through June 30, 2007.

4. **FINANCIAL INFORMATION:**

The total estimated expenditure for Amendment No. 11 to Agreement No. 70282 for medical transcription services provided at OVMC and HDHS for the period of January 1, 2007 through September 30, 2007 is \$585,000 (consisting of \$540,000 for OVMC and \$45,000 for HDHS).

Funding is included in OVMC's and HDHS' Fiscal Year (FY) 2006-07 Final Budgets and will be requested in FY 2007-08.

5. **GEOGRAPHIC AREAS SERVED:**

5th Supervisorial District.

6. **PERSONS ACCOUNTABLE FOR PROGRAM MONITORING:**

Facility staff.

7. **APPROVALS:**

HDHS: Beryl Brooks, CEO

OVMC: Melinda Anderson, CEO

Contracts & Grants: Cara O'Neill, Chief

County Counsel: Maya Lee, Deputy County Counsel

Christina A. Salseda, Deputy County Counsel

EXHIBIT I

Contract No. 70282

MEDICAL TRANSCRIPTION SERVICES AGREEMENT

AMENDMENT NO. 11

THIS AMENDMENT is made and entered into this _____ day
of _____ 2007,

by and between

COUNTY OF LOS ANGELES
(hereafter "County"),

and

MEDQUIST TRANSCRIPTIONS, LTD.
(hereafter "Contractor")

WHEREAS, reference is made to that certain document entitled
"MEDICAL TRANSCRIPTION SERVICES AGREEMENT", dated August 20,
1996, and further identified as County Agreement No. 70282 and
any Amendments thereto (all hereafter referred to as
"Agreement"); and

WHEREAS, said Agreement provides that changes may be made in
the form of a written amendment which is formally approved and
executed by both parties; and

WHEREAS, it is the intent of the parties hereto to amend the
Agreement to extend the term for medical transcription services
scheduled to expire on December 31, 2006, for six (6) months
through June 30, 2007, with the option of the Director of Health
Services to extend the term on a month-to-month basis through
September 30, 2007, under the same terms and conditions, and make
the changes described hereinafter.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective upon approval by the County of Los Angeles Board of Supervisors.

2. This Amendment extends the term of the Agreement for six (6) months, beginning January 1, 2007 through June 30, 2007, with the option of the Director of Health Services to extend the term on a month-to-month basis through September 30, 2007, under the same terms and conditions.

3. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its

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Chairman and the seal of said Board to be hereto affixed, and attested by the Executive Officer of the Board of Supervisors, thereof, and Contractor has caused this Amendment to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer of the
Board of Supervisors of
the County of Los Angeles

MEDQUIST TRANSCRIPTIONS, LTD.
Contractor

By *Howard S. Hoffmann*
Signature

Howard S. Hoffmann
Print Name

By _____
Deputy

Title CEO
(Affix Corporate Seal)

APPROVED AS TO FORM
BY THE OFFICE OF THE COUNTY COUNSEL

By *Naychee*
Deputy

APPROVED AS TO CONTRACT
ADMINISTRATION:

Department of Health Services

By *Diana Saylor*
Cara O'Neill, Chief
Contracts and Grants Division

70282-11 OVMC_LVB
12/05/06